

CHAPMAN AND CUTLER LLP

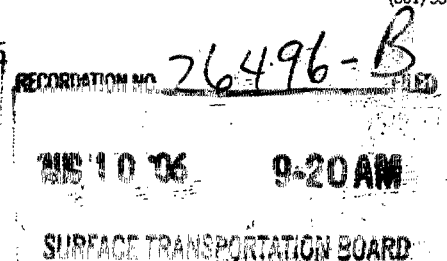
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1877-1943  
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August 10, 2006



Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0001

Re: The Kansas City Southern Railway Company  
Leveraged Lease Financing

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two original copies of the Memorandum of Lease Supplement No. 1 (KCSR 2006-1), dated August 11, 2006, between The Kansas City Southern Railway Company, as lessee (the "Lessee") and the KCSR Trust 2006-1, acting through Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee, as lessor (the "Lessor"), a secondary document as defined in the Surface Transportation Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Equipment Lease Agreement (KCSR 2006-1), dated August 11, 2006, between Lessor and Lessee which is being submitted for recording concurrently therewith.

The names and addresses of the parties to the enclosed document are as follows:

Lessee:	The Kansas City Southern Railway Company 427 West 12th Street Kansas City, Missouri 64105 Attention: Senior Vice President-Finance & Treasurer
Lessor:	Wilmington Trust Company Rodney Square North 1100 North Market Street Wilmington, Delaware 19890-0001 Attention: Corporate Trust Administration

The equipment covered as of the date hereof by the aforesaid Memorandum of Lease Supplement No. 1 consists of 30 SD70ACe Locomotives bearing the reporting marks within the

Law Offices of  
CHAPMAN AND CUTLER LLP

series KCS 4000 through KCS 4029 and 3 SD70ACe Locomotives bearing the reporting marks within the series GM 71 through GM 73, inclusive or KCS 3997 through KCS 3999, inclusive; all as specifically described in Exhibit A attached hereto.

A short summary of the document to appear in the index follows:

Memorandum of Lease Supplement No. 1 (KCSR 2006-1) between KCSR Trust 2006-1, acting through Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee, as Lessor and The Kansas City Southern Railway Company, as Lessee.

A fee of thirty-four dollars (\$34.00) is enclosed. Please time and date stamp the enclosed copy the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

Robert Alvord, Esq.  
Alvord and Alvord  
1050 Seventeenth Street, N.W.  
Suite 301  
Washington, D.C. 20036

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-2991).

Sincerely,

CHAPMAN AND CUTLER LLP

By Michael D. Robson  
Michael D. Robson

Enclosures

**EXHIBIT A**

EQUIPMENT	UNITS	REPORTING MARKS
SD70ACe Locomotives	30	KCS 4000 through KCS 4029, inclusive
SD70ACe Locomotives	3	GM 71 through GM 73, inclusive
		to become
		KCS 3997 through KCS 3999, inclusive

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF LEASE SUPPLEMENT NO. 1  
(KCSR 2006-1)**

Memorandum of Lease Supplement No. 1 (KCSR 2006-1), made and entered into August 11, 2006, by and between the KCSR Trust 2006-1, acting through Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity, but solely as Owner Trustee, as Lessor ("*Lessor*"), and The Kansas City Southern Railway Company, a Missouri corporation, as Lessee ("*Lessee*").

**WITNESSETH:**

1. The undersigned have entered into that certain Equipment Lease Agreement (KCSR 2006-1), dated as of August 2, 2006 (the "*Lease Agreement*"), effective as of the date first set forth hereinabove and subject to the term defined in said Lease Agreement.

2. A memorandum of said Lease Agreement is being recorded with the Surface Transportation Board concurrently herewith pursuant to Section 11301 of Title 49 of the United States Code.

3. The undersigned have entered into that certain Lease Supplement No. 1 (KCSR 2006-1), dated August 11, 2006, whereby the terms and provisions of the above-described Lease Agreement are made applicable to certain railroad equipment bearing reporting marks as listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

KCSR TRUST 2006-1, acting through  
WILMINGTON TRUST COMPANY, not in its  
individual capacity, but solely as Owner  
Trustee

By ACM  
Name: J. Christopher Murphy  
Title: Financial Services Officer

Executed on this 8<sup>th</sup> day of August, 2006.

THE KANSAS CITY SOUTHERN RAILWAY  
COMPANY

By \_\_\_\_\_  
Name:  
Title:

Executed on this \_\_\_\_ day of August, 2006.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

KCSR TRUST 2006-1, acting through  
WILMINGTON TRUST COMPANY, not in its  
individual capacity, but solely as Owner  
Trustee

By \_\_\_\_\_

Name:

Title:

Executed on this \_\_\_\_ day of August, 2006.

THE KANSAS CITY SOUTHERN RAILWAY  
COMPANY

By Paul J. Weyandt

Name: PAUL J. WEYANDT

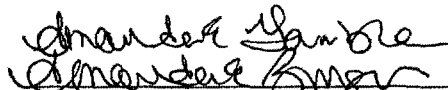
Title: SENIOR VICE PRESIDENT-  
FINANCE AND TREASURER

Executed on this 8<sup>th</sup> day of August, 2006.

STATE OF DELAWARE )  
 ) SS.:  
COUNTY OF NEW CASTLE )

On this, the 8<sup>th</sup> day of August, 2006, before me, a Notary Public in and for said County and State, personally appeared J. Christopher Murphy, who being by me duly sworn, says that (s)he is the Financial Services Officer of WILMINGTON TRUST COMPANY, that said instrument was signed on August 8, 2006 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

  
Name: Amanda E. Gamble  
Notary Public Amanda E. Burger  
My Commission Expires Notary Public - State of Delaware  
Residing in My Comm. Expires March 7, 2007

STATE OF MISSOURI )  
 ) SS.:  
COUNTY OF JACKSON )

On this \_\_\_\_ day of August, 2006, before me personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn, says that (s)he is the \_\_\_\_\_ of THE KANSAS CITY SOUTHERN RAILWAY COMPANY, that said instrument was signed on August \_\_\_\_, 2006, on behalf of said corporation by authority of its Board of Directors; and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

\_\_\_\_\_  
Name:  
Notary Public -  
My Commission Expires:  
Residing in

(SEAL)

STATE OF \_\_\_\_\_ )  
 ) SS.:  
COUNTY OF \_\_\_\_\_ )

On this, the \_\_\_\_ day of August, 2006, before me, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, who being by me duly sworn, says that (s)he is the \_\_\_\_\_ of WILMINGTON TRUST COMPANY, that said instrument was signed on August \_\_\_, 2006 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

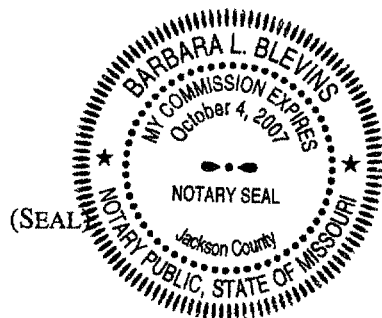
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

\_\_\_\_\_  
Name:  
Notary Public  
My Commission Expires:  
Residing in \_\_\_\_\_

STATE OF MISSOURI )  
 ) SS.:  
COUNTY OF JACKSON )

On this 8<sup>th</sup> day of August, 2006, before me personally appeared Paul J. Weyandt to me personally known, who being by me duly sworn, says that (s)he is the Senior VP - Finance and Treasury of THE KANSAS CITY SOUTHERN RAILWAY COMPANY, that said instrument was signed on August 8, 2006, on behalf of said corporation by authority of its Board of Directors; and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Barbara L. Blevins  
Name:  
Notary Public –  
My Commission Expires:  
Residing in \_\_\_\_\_



**EXHIBIT A**

<b>UNITS</b>		
<b>EQUIPMENT</b>	<b>QUANTITY</b>	<b>REPORTING MARKS</b>
SD70ACe Locomotives	30	KCS 4000 through KCS 4029, inclusive
SD70ACe Locomotives	3	GM 71 through GM 73, inclusive
		to become
		KCS 3997 through KCS 3999, inclusive

**CERTIFICATION**

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: \_\_\_\_\_

8/10/06



\_\_\_\_\_  
Robert W. Alvord